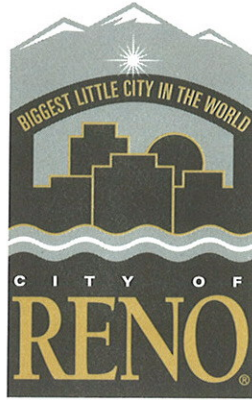


**PUBLIC WORKS DEPT.**  
**1 East 1<sup>st</sup> Street**  
**PO Box 1900**  
**Reno, NV 89505**  
**(775) 334-2350**



**John Flansberg, P.E.**  
***Director of Public Works***

March 13, 2013

**VIA ELECTRONIC-DELIVERY**

Kane B. Dutt, CEO  
Secure Storage Technologies LLC  
dba Curb System, LLC  
241 Ridge St, Suite 212  
Reno, NV 89501

Re: Purchase and Maintenance Agreement dated December 8, 2010.

Dear Mr. Dutt:

Curb System (SST) is hereby notified of the following pursuant to City Council's direction given November 7, 2012 and reaffirmed March 13, 2013.

A. Curb System is being provided the Notice of Termination pursuant to Article I.A.7 and Article V.L. as the parking system has failed to substantially perform to the satisfaction of the City for the following reasons:

1. One working Kiosk is not a reasonable standard and is not acceptable. A customer should be able to pay at the Kiosk which is closest to the parking space.<sup>5</sup>
2. One working available method of payment at a Kiosk is unacceptable to the City unless the customer is notified via the kiosk of a payment method being unavailable and to use another kiosk for that payment option.<sup>1, 5</sup>
3. The push enforcement system does not provide assurance that a citation is not issued falsely; which informs an enforcement officer that a Kiosk is down for reasons other than communication (blank screen or windows operating error message) such as a malfunctioning keypad, coin or credit card acceptance.<sup>2</sup>

Therefore, Curb System (SST) has 120 calendar days (July 12, 2013) from the receipt of this Notice to modify the system to correct the above failures to the satisfaction of the City or the City will invoke the contract provision as to the removal of the system and restoration of the City's property to its original condition at Curb System's sole cost and expense.

B. Curb System is being provided the Notice of Termination based on default or breach of contract pursuant to Article IV.C.ii.a. of the Purchase and Maintenance Agreement for the following reasons. Curb System is in default and breach of the agreement in that Curb System has failed:

1. To provide a complete working payment system which shall at a minimum include U.S. coins (nickels, dimes, and quarters), charge cards, merchant validation, permits, subscriptions, and phone access. Said system shall also include the ability to pay parking fines through the parking kiosk, phones, or Internet browsers.<sup>1</sup>
2. To provide the sensor parking space monitoring system which includes parking sensors for 1200 on-street parking spaces for direct enforcement. Only 230 spaces are currently covered by the sensors. All spaces must be covered by the sensor for parking enforcement.<sup>2, 20</sup>

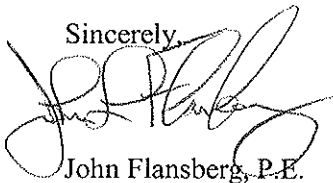
3. In the guarantee –“In no event will SST’s fees cause the City’s annual net revenues to fall below their current level.”<sup>15</sup> The City is demanding payment of the shortfall of \$613,882. (see attachment A)
4. To provide a Performance Bond to guarantee the faithful performance of the work, for warranty performance of the system, for removal of the system and restoration of City property.<sup>21</sup>
5. To provide a maximum of 121 standard Curb Kiosks to serve 1200 parking spaces<sup>20</sup> (see attachment B for recommended remaining Kiosk installation). The remaining Kiosks must be installed at the locations identified.
6. To provide a system which allows remote settings by the City or Curb System.<sup>3</sup>
7. To provide a system that “zeros out” remaining time.<sup>4</sup>
8. To provide to the City the Certificate of PCI compliance and to obtain the third party audit of PCI compliance.<sup>8</sup>
9. To provide to City a detailed timeline, milestones and action plan.<sup>18</sup>
10. To provide the City access to Curb’s Central Office.<sup>16, 22</sup>
11. To maintain (prior to project substantial completion) parking space markings (paint has faded and space numbers are difficult to read).<sup>9</sup>
12. To provide to City information as to electrical connections and monthly electrical costs for Curb system.<sup>17</sup>
13. To provide public relations design and consulting services.<sup>7</sup>
14. To provide remote overtime notification (text messaging).<sup>10</sup>
15. To provide information as to meter and battery status.<sup>11</sup>
16. To provide time of day pricing (parking management data).<sup>12</sup>
17. To provide parking forecast models (parking occupancy data).<sup>13</sup>
18. To provide inventory data.<sup>14</sup>
19. To provide City with 5% spare parts for equipment.<sup>20</sup>
20. To provide a bike storage and dispensing system.<sup>6</sup>
21. To comply with the requirements for inspections and audits.<sup>22</sup>
22. To turn over the collected coin deposits from the parking system to the City per written request provided on February 27, 2013.<sup>23</sup>
23. To provide and maintain kiosk pay stations in a professional manner and appearance free of graffiti or other visual defects.<sup>24</sup>

Therefore, Curb System (SST) has 120 calendar days (July 12, 2013) from the receipt of this Notice to provide evidence, satisfactory to the City, which shows that the declared defaults and breaches set forth above have been corrected.

Please be advised that, at this time, no phase of the installation has been accepted by the City.

The City reasserts and does not waive all its rights and remedies as to defaults and breaches previously alleged.

Sincerely,



John Flansberg, P.E.  
Director of Public Works

cc: Andrew Clinger, City Manager  
Kate Thomas, Director, Office of Management and Budget  
Susan Rothe, Deputy City Attorney  
Creig Skau, Deputy City Attorney

## Footnotes

- 1 *Purchase and Maintenance Agreement, (I)(A)(1).*  
*Dist. 1 Parking Meter Replacement Proposal (I)(1.02-1.06, 1.11).*  
*Dist. 1 Parking Meter Replacement Proposal (IV)(2.0-3.0).*
- 2 *Purchase and Maintenance Agreement, (I)(A)(2).*  
*Request for Proposals and Response.*  
*Dist. 1 Parking Meter Replacement Proposal Attachment H.*  
*Dist. 1 Parking Meter Replacement Proposal (I)(3.0-5.08).*  
*Purchase and Maintenance Agreement Exhibit 1.*
- 3 *Purchase and Maintenance Agreement, (I)(A)(4).*  
*Request for Proposals and Response.*  
*Dist. 1 Parking Meter Replacement Proposal (I)(2.02).*  
*Dist. 1 Parking Meter Replacement Proposal (I)(2.0).*
- 4 *Purchase and Maintenance Agreement, (I)(A)(4).*  
*Request for Proposals and Response.*  
*Dist. 1 Parking Meter Replacement Proposal (I)(6.0).*
- 5 *Purchase and Maintenance Agreement, (I)(A)(7).*  
*RFP Addendum #1, Response 1.3.*  
*Purchase and Maintenance Agreement, (V)(L).*  
*Dist. 1 Parking Meter Replacement Proposal (I)(10.032).*
- 6 *Purchase and Maintenance Agreement, (I)(A)(8).*  
*Purchase and Maintenance Agreement, (II)(B)(ii-iii).*  
*Dist. 1 Parking Meter Replacement Proposal (I)(10.01).*  
*Dist. 1 Parking Meter Replacement Proposal (IV)(4.0).*  
*Dist. 1 Parking Meter Replacement Proposal Attachment H.*
- 7 *Purchase and Maintenance Agreement, (I)(A)(9).*
- 8 *Request for Proposals and Response.*
- 9 *RFP Addendum #2, Response 5.*
- 10 *Dist. 1 Parking Meter Replacement Proposal (I)(1.07).*  
*Dist. 1 Parking Meter Replacement Proposal (IV)(2.0).*
- 11 *Dist. 1 Parking Meter Replacement Proposal (I)(2.04).*
- 12 *Dist. 1 Parking Meter Replacement Proposal (I)(2.05).*
- 13 *Dist. 1 Parking Meter Replacement Proposal (I)(5.07).*
- 14 *Dist. 1 Parking Meter Replacement Proposal (I)(5.08).*
- 15 *Dist. 1 Parking Meter Replacement Proposal (I)(10.03).*
- 16 *Dist. 1 Parking Meter Replacement Proposal (IV)(1.0).*  
*Dist. 1 Parking Meter Replacement Proposal Attachment H.*
- 17 *Dist. 1 Parking Meter Replacement Proposal (V)(5.0).*
- 18 *Dist. 1 Parking Meter Replacement Proposal (V)(7.0).*
- 19 *Dist. 1 Parking Meter Replacement Proposal (VIII)(3.0).*
- 20 *Purchase and Maintenance Agreement Exhibit 1.*
- 21 *Purchase and Maintenance Agreement (I)(A)(7) and (I)(A)(15).*
- 22 *Purchase and Maintenance Agreement (II)(C)(ii).*
- 23 *Purchase and Maintenance Agreement (II)(A) and Exhibit 2.*
- 24 *Purchase and Maintenance Agreement (V)(L).*

## Attachment A

Secure Storage Technologies, LLC dba Curb System, LLC Revenue Guarantee to City of Reno

10.031 Guarantee One: In no event will SST's fees cause the City's annual net revenues to fall *below their current level*.

The agreed annual net revenue figure between the Company and the City is \$335,000.

In Fiscal Year 2011-12; the City's net revenue was \$66,111\*. Therefore the guarantee would be in effect with the Company owing the City  $\$335,000 - \$66,111 = \$268,889$ .

In Fiscal Year 2012-13 to date (July 1, 2012 through January 31, 2013); the City's net revenue is  $<\$149,576>^*$  (revenue is not covering cost). Therefore the guarantee would be in effect with the Company owing the City  $\$335,000 \times 7\text{months}/12\text{ months} - <\$149,576> = \$344,993$ .

**Total shortfall in revenues owed to the City to date = \$613,882.**

\*The City does not have record of coin payments from January 2012 to current, therefore, this revenue has not been included in the figures above. The City requested payment from the Company and was denied.







[illegible]



Block Face:	WEST	Space Numbers	Kiosk No.:	8	Block Face:	EAST	Space Numbers	Kiosk No.:	RECOMMEND	Block Face:	NORTH	Space Numbers	Kiosk No.:	30
	1108	1109	1110	1111	1112	1137	1138	1139	1140	1141	1117	1118	1119	1120
	1113	1114	1115	1116		1142	1143	1144			1122	1123		1121
Street Name:	LIBERTY													
Cross Streets:	SIERRA			HILL										
Block Face:	NORTH			Kiosk No.:	RECOMMEND									
	2026	2027	2028	2028		2210	2211	2212	2213	2214	2151	2152	2153	2155
						2215	2216	2217	2218	2219L	2156	2157	2158	
Street Name:	RIDGE													
Cross Streets:	FLINT			HILL										
Block Face:	SOUTH			Kiosk No.:	NONE									
	2127	2128	2129	2130	2131	2035	2036	2037	2038	2039	2044	2045	2046	2048
	2132	2133	2134	2135		2040	2041	2042	2043		2049	2050		
Street Name:	RIDGE													
Cross Streets:	HILL			FLINT										
Block Face:	NORTH			Kiosk No.:	27									
	2099	2100	2101	2102	2103	2144	2145	2146	2147	2148	2089	2090	2091	2093
	2104	2105	2106L	2107L	2108	2149	2150				2094	2095	2096	2098
Street Name:	HILL													
Cross Streets:	RIDGE			LIBERTY										
Block Face:	WEST			Kiosk No.:	28									
	2136	2137	2138	2139	2140	2029	2030	2031	2032	2033	2051	2052	2053	2055
	2141	2142	2143			2034					2056	2057	2058	
Street Name:	FLINT													
Cross Streets:	COURT			RIDGE										
Block Face:	WEST			Kiosk No.:	NONE									
	2117	2118	2119	2120	2121	2109	2110	2111	2112	2113	1052	1053	1054	1056
	2122	2123	2124	2125	2126	2114L	2115L	2116L						
Street Name:	SIERRA													
Cross Streets:	LIBERTY			CALIFORNIA										
Block Face:	EAST			Kiosk No.:	47									
	1045	1046	1047	1048L	1049L	3242L	3243L	3244L	3245	3246	3250	3251	3252	3254
	1050	1051				3247	3248				3255	3256	3257	
Street Name:	ARLINGTON													
Cross Streets:	3RD			4TH										
Block Face:	EAST			Kiosk No.:	RECOMMEND									
	3282	3283	3284	3285	3286	4200	4201	4202	4203	4204	4219	4220	4221	4223
	3287	3288	3289	3290	3291	4205	4206	4207	4208	4209	4224	4225	4226	4228











[illegible]







[illegible]